



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

May 3, 2010

To: All Department Heads

From: William T Fujioka  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## **ADDITIONAL GUIDELINES FOR HARD HIRING FREEZE AND FREEZE ON NON-ESSENTIAL SERVICES, SUPPLIES AND FIXED ASSETS**

On March 4, 2010, our office responded to a January 26, 2010 Board motion regarding a hard hiring freeze and a freeze on non-essential services, supplies and fixed assets (Attachment I). Our report back included the following changes to the current policy that was distributed to departments in a memo dated October 20, 2009:

- Freeze remaining unencumbered fixed assets;
- Freeze an additional 15 percent of the remaining non-essential services and supplies appropriation; and
- Enhance the hard hiring freeze by further refining the present exemption list and requiring our office review and approval for promotions.

This memo provides additional information and guidelines to fully implement the hard hiring freeze and freeze on non-essential services, supplies and fixed assets.

### **Freeze on Fixed Assets**

In conjunction with the Auditor-Controller, the remaining unencumbered fixed assets appropriation for all General Fund departments have been frozen. Special Fund/Special District departments are exempt from this additional freeze.

Departments must complete the Exception Form (Attachment II) and submit the form to our office for review and approval to unfreeze the fixes assets appropriation. Fixed assets expenditures will only be approved if the equipment is deemed critical to the department's mission and is non-repairable. No fixed assets purchases may be made to enhance a department's operation.

*"To Enrich Lives Through Effective And Caring Service"*

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### **Freeze on Services and Supplies**

In the beginning of the fiscal year, our office froze 25 percent of the non-essential services and supplies appropriation of most General Fund departments. We have now frozen an additional 15 percent of the remaining services and supplies appropriation where feasible. Special Fund/Special District departments are exempt from this additional freeze.

Departments must complete the Exception Form and submit the form to our office for review and approval to unfreeze the services and supplies appropriation. Renovation expenditures will only be approved if it is determined that the current structure/environment creates a health and safety issue. Discretionary travel and training expenditures should be discontinued by all departments.

### **Freeze on Hiring and Promotions**

Effective immediately, General Fund departments will no longer have the authority to promote staff. Special Fund/Special District departments are exempt from this process. Also exempt from the promotion freeze are positions on the Exemption List. Departments must complete the Exception Form (Attachment II) which has been revised to include promotions. The completed form should be forwarded to our office for review and approval. If the Exception form is approved by our office, a copy of the approved form will be forwarded to the department by the CEO budget analyst. Upon receipt of the approved Exception Form, the department is authorized to input the promotion in the CWTAPPS screen. Promotions will be effective on the date CEO approves the Exception Form request.

Our office will monitor the promotions based on the Auditor-Controller's Employee Hired or Promoted monthly report. If it is discovered that a department is not following the departmental promotions guidelines in this memo, the department's authority to input promotions in CWTAPPS will be rescinded. The department will then have to make arrangements with CEO-Class Compensation Division to process the approved promotion in CWTAPPS using terminals located in their division.

In addition, our office will be reviewing the present exemptions to the hiring freeze list to further refine it and ensure that only the most critical health and safety positions are exempt. During the review process, positions identified as no longer critical will be subject to the hard hiring freeze and will require an Exception Form for processing.

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Departments that have submitted a deficit in the latest Budget Status (BSR) report submission will be required to submit an Exception Form for all new hires including positions identified as exemptions to the hiring freeze. These departments will be closely monitored to ensure that the new hires and/or promotions added costs are justified in light of the department's reported deficit in their latest BSR submission.

If you have any questions or need additional information, please contact your respective CEO budget analyst.

WTF:SK:CA  
AHW:yjf

Attachments

c: Each Supervisor  
Administrative Deputies

Additional.Guildelines for Hard Hiring Freeze\_All Department Heads.m

AGN. NO. \_\_\_\_\_

MOTION BY SUPERVISOR DON KNABE

January 26, 2010

In light of both our current year budgetary shortfall and our projected \$700 million shortfall for next fiscal year, I think it is important that we immediately begin to further control spending in our current fiscal year 2009/2010 budget. This Board has previously taken the prudent action of implementing a hiring freeze where all non-emergency related hiring must go through and be approved by a rigorous Chief Executive Office (CEO) process. To date, this process has proven successful. In order to build upon the hiring freeze success, and further control spending, I believe this Board should establish additional CEO reviews of department spending. I believe the same CEO review process that is applied for the hiring freeze should also be applied to fixed asset purchases and services and supplies spending.

**-- MORE --**MOTION

RIDLEY-THOMAS \_\_\_\_\_

YAROSLAVSKY \_\_\_\_\_

KNABE \_\_\_\_\_

ANTONOVICH \_\_\_\_\_

MOLINA \_\_\_\_\_

**I, THEREFORE MOVE, THAT:**

1. The Board directs the CEO to report back in 14 days with recommendations on additional spending review guidelines and procedures whereby CEO review of certain fixed asset and services and supplies expenditures by departments is required for approval by the CEO; and,
2. The Board directs the CEO to report back in 14 days on what mechanisms are in place to ensure salary and employee benefit savings derived from the hiring freeze do not end up as expenditures in other budget units within departments.

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CG:e

## Exception Form - Requests for Hiring, Services and Supplies or Fixed Assets

<b>Department / Cluster:</b>						
<b>Request Date:</b>						
<b>Exception Requested for:</b> (Please ✓ one box)	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion <input type="checkbox"/> Services and Supplies <input type="checkbox"/> Fixed Assets					
<b>Program / Unit:</b>						
<b>Funding Description:</b>	\$ ____ One-time    \$ ____ Ongoing    \$ ____ Revenue Offset					
<b>Funding Source:</b>						
<b>Blanket Authority Request?</b> If Yes, Total Number of Positions Approved for Blanket Authority ____ (Use an Exception Request for each classification)	<input type="checkbox"/> Yes <input type="checkbox"/> No					
<b>No. of Position(s) and Classification(s) for this Hiring / Promotion Approval:</b>	No. of Positions ____ Classifications ____ Names: ____ _____ _____ _____					
<b>Complete this section only if your department is requesting that Services and Supplies or Fixed Assets appropriations be unfrozen:</b>	Fund	Dept Code	Org Level 1	Org Level 2	Object Category	Dollar Amount
						\$
						\$
						\$
<b><u>Justification for Exception:</u></b>						
<b>Department Approval:</b>	<i>Signature Required (at the level of Administrative Deputy or higher)</i>					
<b>CEO Budget Analyst:</b>	<i>Signature Required</i>					<input type="checkbox"/> Approved
						<input type="checkbox"/> Denied
<b><u>Recommendation for Approval / Denial:</u></b>						
<b>Employee Mitigation List:</b>	<b>Did any employees on the Mitigation List meet the requirements for this hiring exception?</b>					<input type="checkbox"/> Yes
						<input type="checkbox"/> No
<b>Budget Manager:</b>	<i>Signature Required</i>					<input type="checkbox"/> Approved
						<input type="checkbox"/> Denied
<b>Deputy Chief Executive Officer:</b>	<i>Signature Required</i>					<input type="checkbox"/> Approved
						<input type="checkbox"/> Denied
<b>Senior Assistant CEO:</b>	<i>Signature Required</i>					<input type="checkbox"/> Approved
						<input type="checkbox"/> Denied